



**THE EFFECTIVENESS OF COMPENSATION STRUCTURES IN REDUCING
TURNOVER AMONG EMPLOYEES AT NXP SEMICONDUCTOR SDN. BHD.**

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Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled: **“The Effectiveness of Compensation Structures in Reducing Turnover among Employees at NXP SEMICONDUCTOR SDN. BHD.”** to fulfill the requirement as needed by the Faculty of Business Management, University Teknologi MARA.

Thank you

Yours sincerely

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“DECLARATION OF ORIGINAL WORK”

“I, Juita Razinoor Binti Johar, (881221-01-6042)

Hereby, declare that,

- This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees
- This project paper is the result of my independent work and investigation, except where otherwise stated
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: _____

Date: _____

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ABSTRACT

Background: Employee turnover is a normal situation that occurs in the company. However, if this phenomenon is continuously happen, it will affect company's productivity. Retaining employees in the company is a big challenge for the management levels. Therefore, management in the company needs to identify the best solution to control the rate of employee turnover.

Method: The data has been collected from employees of NXP SEMICONDUCTOR Sdn Bhd. by using questionnaire. To test the hypothesis, SPSS 17.0 has been adopted for basic analysis purposes.

Result: Result shows that Skill Based Pay and Job Based Pay has relationship in reducing turnover among employee and Market Based Pay has no relationship at all.

Conclusions: .From this research, it shows Job based pay and Skill Based pay have significant correlation in reducing turnover among employees while Market Based pay have no

significant correlation in reducing turnover among employees. This statement is supported by the fact that the correlation analysis shows Skill Based Pay ($p=0.683$) and Job Based Pay ($p=0.417$) have significant association with the dependent variable. However, the most dominant structures are Skill Based Pay.